

1 A Wardrobe allowance.

2 Q Okay. At the time the application was filed,
3 how much were you making at WJKS?

4 A 60- -- 60- or 65-.

5 Q Plus?

6 A 60-.

7 Q Plus clothes?

8 A Yes.

9 Q Okay. Where is the partnership in --
10 registered, in what state?

11 A Delaware.

12 Q Do you know why it's in Delaware?

13 A That was where it was chosen to be.

14 Q Who made that choice?

15 A George helped me make that decision.

16 Q Okay. There came a time when Ms. Rothschild
17 withdrew from the partnership. Did she call you and tell
18 you that she wanted to withdraw?

19 A No, that was also done through George.

20 Q When you say "through George," what did George
21 do in connection with her withdrawal?

22 A Well, George just came to me and indicated to
23 me that Robin didn't -- was basically concerned about her
24 own situation. Because apparently when I first started
25 talking to Robin, she was doing very, very well with her

1 step further in the wording. The wording was just salary
2 and benefits, it seemed to be a little more clear.

3 Q Let me ask you a somewhat different question.
4 Your -- when you certified to the applicant's financing,
5 you were certifying to having enough funds to construct
6 the station and operate it for three months without
7 revenue; isn't that right?

8 A Correct.

9 Q Now, during this -- let's think of the first
10 three months after the station goes on the air. You were
11 expecting that you wouldn't make -- make a profit during
12 that time; isn't that right?

13 A That's correct.

14 Q Okay. And that the station would suffer some
15 losses?

16 A (Witness nods head.) Correct.

17 Q Now, how long do you think it would be before
18 the station would -- would not have red ink, it would show
19 profits?

20 A Realistically speaking?

21 Q Yeah.

22 A It could be anywhere from 12 to 18 months.

23 Q Okay. Now, I'd like to direct your attention
24 to the new agreement and -- in the February and May
25 drafts, it's the same language to para- -- to Section 8.3,

1 termination of a general partner.

2 MRS. MOLINE: February and May?

3 MR. HALAGAO: You're talking on the second
4 partnership?

5 MR. HONIG: The second partnership, 8.3.

6 MR. HALAGAO: What?

7 MR. HONIG: Section 8.3.

8 BY MR. HONIG:

9 Q Now, look in particular to 8.3 little 3. Now,
10 if I'm reading this correctly -- and just tell me whether
11 my understanding is right -- if the partnership suffers
12 two consecutive fiscal quarters of operating losses, the
13 limited partner can remove you; isn't that correct?

14 A It seems to.

15 Q Okay. Now, last -- I'm almost done. I'd like
16 to return your attention to the original partnership
17 agreement to Page 9, Paragraph 14 and there you will find
18 various limitations on the activities of -- and rights of
19 the limited partners, and if you could just read through
20 that provision, which is on Pages 9 and 10 of the original
21 partnership agreement. Just read it to yourself for a
22 second.

23 Okay. Now, you may need your lawyer's
24 assistance with this, but in the new partnership
25 agreement, there is a Section 5.6 on Page 15 entitled:

1 that -- is it your understanding that if that happens,
2 then the shares convert to whatever the shares are
3 supposed to be?

4 A Yeah, whatever --

5 Q Mr. Honig had asked whether there was any
6 correspondence between Mr. Enunton and Ms. Rothschild and
7 you were going to check. And if there was anything, could
8 I ask -- put an additional, if there's correspondence
9 between Mr. Enunton and Peter Knobel that that
10 correspondence also be produced, because I don't believe
11 that we have any, if there is any.

12 MR. HALAGAO: Who?

13 MRS. MOLINE: Any correspondence between George
14 and Mr. Serrano, either of those two persons, and Mr.
15 Peter Knobel, I would like to ask that copies of that
16 correspondence be provided as well.

17 MR. HALAGAO: On what issues?

18 MRS. MOLINE: On any matters related to the --
19 if it exists, it should have been produced. And I'm
20 sorry, I don't know in connection with which request,
21 but I'm fairly certain.

22 MR. HALAGAO: Okay.

23 BY MRS. MOLINE:

24 Q Back at the beginning of your testimony, Ms.
25 Morgan, you testified that Ms. Rothschild was put in as a

1 limited partner as a surety. Who was she a surety for?

2 A For the consultants.

3 Q Is Ms. Rothschild related to Mr. Enunton?

4 A Yes, she is.

5 Q What is her --

6 A She's his daughter.

7 Q Was it ever discussed between you and Mr.

8 Enunton and Mr. Serrano that Mr. Enunton and/or Mr. Serrano
9 would hold an interest in JEM?

10 A No.

11 Q Is it correct to say that Ms. Rothschild was put
12 in as a limited partner in order to represent Mr.
13 Enunton's interests, financial interests as a consultant?

14 A I don't know if I know what that means.

15 Q Well, I note -- if you will look at your
16 original limited partnership agreement --

17 A Uh-huh.

18 Q -- on November 4th, on Page 3, okay, you note
19 at the top, we have the partner ownership interests set
20 out, yours at 20 percent and Peter's and Ms. Rothschild's
21 at 40 percent each. Down below, the initial capital
22 contribution, there is a capital contribution stated for
23 you as well as for Mr. Knobel, but nothing for Robin
24 Rothschild.

25 A Uh-huh.

1 Q Now, in connection with your contracting with
2 Mr. Enunton for his services, he charged a fee; is that
3 correct?

4 A Correct.

5 Q And he has not been paid?

6 A Correct.

7 Q Now, was Robin Rothschild there in your
8 partnership as a limited partner --

9 A To pay for the consulting fees.

10 Q And was his -- was Mr. Enunton's consulting
11 fees her share of the limited partnership?

12 A Oh, I see. Yeah, basically, the surety was
13 that Robin would pay for that consultant fee.

14 Q Okay. At such time as Mr. Enunton and Mr.
15 Serrano were paid, would Robin Rothschild then cease to be a
16 limited partner or would she remain as a limited partner?

17 A I'm not sure.

18 Q Did you have any understanding about how that
19 would work at all?

20 A No.

21 Q Do you know whether there was any understanding
22 as to whether Ms. Rothschild could transfer her limited
23 partnership interest to Mr. Enunton?

24 A No.

25 Q With respect to the budget that was prepared in

1 connection with your application in which you reviewed
2 with Mr. Honig, you indicated that Mr. Enunton had
3 provided the information on that budget. Did he simply
4 hand you that budget as a typical budget for a station of
5 a class for which you're applying?

6 A Basically, yes.

7 Q So that budget was not prepared specifically
8 for this particular application?

9 A It was prepared for an application basically
10 like this one.

11 Q Would you characterize that budget that was
12 handed to you which you have used as a standard budget
13 for a Class A station?

14 A Yes.

15 Q You were asked some questions regarding your
16 conversations with Mr. Perich about the tower site that
17 you plan to use. And the notes that you have produced and
18 which have been identified as Morgan Deposition 1 indicate
19 that you called Mr. Gregory Perich at some point?

20 A Uh-huh.

21 Q Could you get a copy of those notes?

22 A Yes, I have them.

23 Q Actually I think we have copy of them right
24 here. We would like to ask you: The five years that
25 is written in after WJXR in Macclenny, is that the amount

1 of time that Mr. Perich had told you he had owned that station?

2 A I believe so.

3 Q Or does it refer to the amount of time that you
4 discussed for leasing his tower facility?

5 A I think it meant how long he had been involved
6 with WJXR.

7 Q Did you discuss a time period over which you
8 would be leasing his tower facility for your -- for your
9 antenna and transmitter?

10 A I don't see it in my notes and I don't recall
11 it.

12 Q Did Mr. Perich represent that he owned that
13 tower outright?

14 A All I can remember is I wrote 100 percent,
15 president/owner. And at that time, that's -- that's all I
16 can recall from the conversation.

17 Q Do you have any recollection whether Mr. Perich
18 indicated that the tower was owned by a corporation?

19 A I don't remember if that was why I wrote
20 another name as well.

21 Q Which name is that?

22 A The Charley White. At this point, I really
23 don't remember.

24 Q Okay. Now, had -- who had initially contacted
25 Mr. Perich, was it George?

1 A He -- he had talked with George and I called
2 him --

3 Q To confirm that arrangement?

4 A -- to talk with him more and get a little more
5 information.

6 Q Do you know whether George ever obtained
7 anything in writing from Mr. Perich?

8 A No, I do not.

9 Q You did not obtain anything from Mr. Perich?

10 A I did not.

11 Q You indicated in testimony earlier that Mr.
12 Enunton had effectively handed you a book of names with
13 attorneys' names. Do you recall whether that was the
14 Federal Communications Bar Association Directory? Was the
15 word "directory" included on the cover? Did it have a
16 cover?

17 A I don't remember. I can't remember if it was a
18 red book or a book that had a manilla-type covering on it.
19 All I remember is that there are two books at home in my
20 file cabinet and I can't even tell you the color.

21 Q Okay.

22 A But I know there are lawyers in there,
23 communications lawyers.

24 Q You also mentioned that Mr. Enunton had
25 suggested some names out of that book --

1 A It sounds familiar, but I have no idea why. I
2 don't know.

3 Q Is Mr. Enunton charging you for his services on
4 an ongoing basis or was there a flat fee?

5 A Contingency fee. It won't be determined until
6 the license is granted.

7 Q And if you're not successful, do you owe him
8 any money?

9 A As far as I know, I'm sure I owe him some
10 money. I'll have to deal with that when that day comes.

11 Q Did you testify that there was an agreement
12 between you and Mr. --

13 A A verbal agreement.

14 Q A verbal agreement. Was a charge for his
15 services discussed in the event that you were not
16 successful?

17 A No.

18 Q Will he charge you for the services in the
19 event that you settle for monetary consideration?

20 A Yes.

21 Q Was a specific amount discussed?

22 A No.

23 (Mr. White and Mrs. White enter the room.)

24 Q When you call Mr. Knobel to ask him for
25 financing to continue prosecuting the application as

EXHIBIT 3

TRANSCRIPT OF PROCEEDINGS

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

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IN RE APPLICATIONS OF:	:	MM Docket No. 91-10
	:	
CHARLEY CECIL & DIANNA MAE WHITE,	:	File No. BPH-891213M
d/b/a WHITE BROADCASTING PARTNERSHIP,	:	
	:	
PEACHES BROADCASTING, LTD.	:	File No. BPH-891214MN
	:	
SAGE BROADCASTING CORPORATION OF	:	
JUPITER, FLORIDA,	:	File No. BPH-891214MR
	:	
DOUGLAS JOHNSON,	:	File No. BPH-891214MZ
	:	
NORTHEAST FLORIDA BROADCASTING	:	File No. BPH-891214NA
CORPORATION,	:	
	:	
JEM PRODUCTIONS, LIMITED PARTNERSHIP,	:	File No. BPH-891214ND.
c/o JOYCE MORGAN,	:	
	:	
For Construction Permit for a New FM	:	
Station on Channel 289A in Baldwin,	:	
Florida.	:	
	:	

-----x

ORIGINAL

DEPOSITION OF PETER B. KNOBEL

Washington, D. C.

Thursday, June 27, 1991

ACE-FEDERAL REPORTERS, INC.

Stenotype Reporters

444 North Capitol Street

Washington, D.C. 20001

(202) 347-3700

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800-336-6646

1 Rothschild decided she no longer wished to be a limited
2 partner in Jem Productions?

3 A My discussions with Robin was that she was too
4 busy to get involved in going for other applications and
5 her business basically was not doing overly well and that
6 she just did not want to get overly involved in all of the
7 nuances of going through the process over and over and
8 over again.

9 Q Is she an applicant in other FM applications?

10 A I believe so.

11 Q Do you know if she has withdrawn from all of her
12 other interests in other applications?

13 A I don't know. She has in the ones that I have
14 been involved in.

15 Q Do you know if she is related to George E.
16 Newton?

17 A Yes.

18 Q What is the relationship?

19 A George's daughter.

20 Q Do you know whether Robin ever made a commitment
21 for a capital contribution to Jem Productions? Do you
22 want to look at the first agreement?

1 A What paragraph?

2 Q Page 3, paragraph 7B, you will see the initial
3 capital contribution listed for the general partner, for
4 the limited partners, and that is plural, but only your
5 name is listed?

6 A So she is not listed.

7 Q Right. Did she make any kind of limited partner
8 contribution?

9 A I don't know.

10 Q Did she commit to loaning any portion of the
11 \$250,000 mentioned in paragraph 9, page 4?

12 A If she is a limited partner, I guess the limited
13 partners agreed to loan \$250,000.

14 Q Was it your understanding that was going, those
15 funds would be loaned from you?

16 A Yes. It may have been -- she may have been a
17 guarantor of the loans.

18 Q A guarantor of a loan is normally at the
19 receiving end of the loan, are they not?

20 A Not if -- I don't know.

21 Q With respect to the second partnership agreement
22 I want to turn you to the capital contribution section

1 Q The third agreement includes only Joyce Morgan
2 and Beylen Communications Inc.; is that correct?

3 A Correct.

4 Q What was the reason for the drafting of the
5 third agreement?

6 A Robin Rothschild and Atlantic Pacific no longer
7 wanted to be partners in this application.

8 Q And is it correct in connection with the
9 drafting of this third agreement there was also a transfer
10 of Robin's interest to yourself and Joyce Morgan; is that
11 correct?

12 A Correct. Joyce Morgan's interests increased
13 from 20 percent to 50 percent.

14 Q When we refer to 20 percent to 50 percent we are
15 referring to equity percentages, is that correct?

16 A Equity ownership interests of this station.

17 Q Joyce is the sole general partner?

18 A Correct.

19 Q Let me turn you again to the capital
20 contribution section on page 3 of the third agreement?

21 A Yes.

22 Q The general partner's contribution changed again

1 station?

2 A She has a pretty face. I guess he finds pretty
3 faces and asks them if they want to own a radio station.

4 Q Did he tell you that is what happened in this
5 case?

6 A Not in those words.

7 Q What words did he use?

8 A He said "I have an applicant in Jacksonville who
9 is interested in owning and building a radio station;
10 would you be interested in meeting her and becoming her
11 partner," and I said "sure". And she called me thereafter
12 and said "I would like to come visit you in New York" and
13 she came to visit me and that is how I met her.

14 Q Do you know if she had signed a partnership
15 agreement prior to the time she came to visit you?

16 A Definitely not. I don't believe so. I don't
17 think so.

18 Q Do you recall when that visit took place?

19 A No.

20 Q Approximately?

21 A I would have to say I am terrible on dates.

22 Q Before Halloween or after?

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1 Q How old are you?
2 A 34.
3 Q And what is your educational background?
4 A I graduated from American University with a
5 degree in real estate and finance.
6 Q Okay. Do you have partners in your real estate
7 business?
8 A Yes.
9 Q The two individuals you mentioned before?
10 A I have many partners.
11 Q Anybody related to you?
12 A No.
13 Q Is Robin Rotschild a partner?
14 A No.
15 Q George Newton?
16 A No.
17 Q Salvador Sarano?
18 A No.
19 Q Joyce Morgan?
20 A No.
21 Q Can you explain in your own words how it came to
22 be that the percentage that Joyce Morgan had went from 20

1 percent to 50 and Robin left her-- her interests were not
2 distributed pro rata. Why was that?

3 A I felt that I got to know Joyce better and
4 better as she would call me from month to month and say
5 this is what she is doing and going on. And she called me
6 and told me that Robin wanted to get out of the station
7 and how did I feel about us being equal partners. And I
8 thought it sounded fantastic and said, it is your baby so
9 let's be partners, 50-50.

10 Q Was there any provision that you asked to be
11 revised or anything that you got in return?

12 A No.

13 Q Let me direct your attention to the new
14 partnership agreement?

15 A The section of whether she put up \$1200 capital?

16 Q No. That is not it. I would like to ask your
17 counsel to place before you two documents so you can read
18 them in parallel and not get confused, and one is the
19 original partnership agreement and in particular page 9 of
20 that agreement. This will take a second. Trust me, it
21 will save some time.

22 A Okay.

1 Q And the new one, in the May version, page 15.
2 You will notice paragraph 14 of the original partnership
3 agreement places various limitations on what you can do;
4 is that correct?

5 A Correct.

6 Q Now, there are also limitations contained in
7 Section 5.6 in the new draft?

8 A Correct.

9 Q Now, you will notice that those provisions are
10 substantially different now. Is there a reason for that?

11 A Is there a reason?

12 Q For the change in the limitations provisions.

13 A The reason is as my lawyers got into the fact of
14 the financing side of the agreement that the -- in the
15 event that there was a default, and only in the event
16 there was a default, that the lender, being me, might have
17 the option to have some word or discussion in how to
18 protect my \$250,000 investment.

19 Q Okay. Does that explain why, for example, if
20 you look at the top of page 10 of the earlier agreement
21 there is a provision that says you are restricted from
22 communicating with the general partner on matters

1 pertaining to the day-to-day operations of the station.
2 Does that explain why that provision is absent in the
3 second draft?

4 A No. I have no interest in the day-to-day
5 operation at all. I am too busy, nor do I have any
6 concerns at all in running a radio station on a day-to-day
7 basis. Only in the event that someone calls me and says
8 the station is going out of business and there is no hope
9 for the station and I want to protect my \$250,000, I do
10 want to have the right to say -- to make a phone call and
11 say hey, maybe you should do this or do that, not in the
12 running of the station but in the financial, keeping the
13 financial side of the station going.

14 Q So you would want to reserve the right in case
15 the station is in trouble to talk to Joyce on a day-to-day
16 basis until it improves. Is that what this accomplishes?

17 A It is supposed to accomplish that if the
18 \$250,000 is in trouble and Joyce has to go out and raise
19 more money that there is a say in the ability to help
20 raise that money or in myself putting in more money into
21 the transaction.

22 But it is not to say maybe you should change

- 1 A 60-40.
- 2 Q Who has 60?
- 3 A Who has 60? I believe I had 60 and my wife had
- 4 40 percent.
- 5 Q Now, Jacksonville and Baldwin, that is the same
- 6 thing?
- 7 A Fernandina Beach.
- 8 Q Okay. Who is the general partner in Fernandina
- 9 Beach?
- 10 A Who is the general partner?
- 11 Q Yes.
- 12 A I cannot remember who is the general partner.
- 13 Q Do you remember the equity split there?
- 14 A 20, 40, 40.
- 15 Q Okay. Is Robin Rothschild the person with 40?
- 16 A Yes.
- 17 Q You have 40?
- 18 A Yes.
- 19 Q Did Robin -- is she still in that deal?
- 20 A That deal -- the application was dropped.
- 21 Q Why was it dropped?
- 22 A Why was it dropped? The general partner had

1 Q Is it your testimony you don't remember the
2 person's name?

3 A Maldonado.

4 Q That is all right. That is your answer.

5 We will take a five-minute break.

6 (Recess.)

7 MR. HONIG: On the record.

8 BY MR. HONIG:

9 Q Have you ever had any interests in an
10 application in Kahalulu, Hawaii?

11 A No.

12 Q In Wallace, Idaho?

13 A No.

14 Q Now, continuing down the list, what is the name
15 of the general partner in Manahawkin?

16 A Dee Rollins.

17 Q Dee Rollins?

18 A Yes.

19 Q Now, what was the equity split in Manahawkin?

20 A In Manahawkin?

21 Q Yes.

22 A The equity split was 20, 40 and 40.

- 1 Q And Robin Rothschild has 40 and you have 40?
- 2 A Correct.
- 3 Q And what was the equity split in Strasberg?
- 4 A 20-40-40.
- 5 Q Again, it is Robin Rothschild and you yourself
- 6 have 40?
- 7 A Yes.
- 8 Q Do you have a recollection of who Ms. Maldonado
- 9 is?
- 10 A Who is Ms. Maldonado? As far as what?
- 11 Q How is she employed?
- 12 A How is she employed?
- 13 Q Yes.
- 14 A As far as what does she do for a living?
- 15 Q Yes.
- 16 A No.
- 17 Q Have you ever met her?
- 18 A No.
- 19 Q Have you ever spoken with her?
- 20 A Ms. Maldonado, yes, once.
- 21 Q Now, who is Dee Rollins? Is that a man or woman?
- 22 A A woman.

1 Q She is a college student, isn't she?

2 A She is in college?

3 Q I am asking, is that so?

4 A I don't know.

5 Q Okay. Off the record for a second.

6 (Pause.)

7 MR. HONIG: Back on the record.

8 BY MR. HONIG:

9 Q Did you inform Mr.-- Strike that.

10 You testified about why Robin Rothschild left
11 this application.

12 A Yes.

13 Q Was she compensated for having done that?

14 A No.

15 Q Do you know whether she paid Mr. Newton or
16 Mr. Serano in connection with this application?

17 A Do I know if she paid? I don't believe so.

18 Q Now, are you -- you are aware she is
19 Mr. Newton's daughter?

20 A Yes.

21 Q Now, did she put any money into this
22 application --

1 A No.

2 Q -- of her own?

3 A No.

4 Q But she owned 40 percent of it at one time?

5 A Yes.

6 Q What did she contribute in return for that 40
7 percent?

8 A What did she contribute? She contributed, from
9 my point of view, a knowledge of the radio business.
10 George E. Newton had done some consulting work to bring
11 the parties together. I felt that I was only entitled for
12 what I was doing to put up 40 percent and she wanted to be
13 a partner.

14 The general partner had no problems with her
15 being a partner and I -- also, George is supposed to get
16 paid dollars eventually under some type of agreement for
17 putting this partnership together and consulting to the
18 partnership and I believe that he felt secure by his
19 daughter being involved in these entities that he
20 ultimately would get paid for the amount of work he put
21 into this application.

22 Q Did Joyce Morgan and you discuss how it was or